

Financial Aid News



Online resources for aid administrators

- [Higher Education Coordinating Board Web site](#)
- [HECB secure Web site for aid administrators](#)
- [State Need Grant](#)
- [State Work Study](#)
- [Washington Promise Scholarship](#)
- [Educational Opportunity Grant](#)
- [Washington Scholars Program](#)
- [WAVE](#)
- [Other state aid programs](#)
- [Past issues of the *Financial Aid News* and other publications](#)
- [Washington Financial Aid Association](#)
- [Washington State Association of Student Employment Administrators](#)
- [Western Association of Financial Aid Administrators](#)
- [Western Association of Student Employment Administrators](#)
- [National Association of Student Financial Aid Administrators](#)



Higher Education
Coordinating Board

HECBFinancialAid@hecb.wa.gov

<http://www.hecb.wa.gov>

All material used
by permission.
Copyright laws apply.
The Higher Education
Coordinating Board
neither endorses nor
claims responsibility
for the accuracy
of information reported
from secondary sources.

Issue 30 — July 1, 2003

In this issue:

- HECB sets SNG award amounts for 2003-04
- EOG plans rules update in response to legislative changes
- Change in federal aid formula shifts more college costs to students and families
- One congressman's answer to rising college costs — price controls linked to federal aid eligibility

HECB sets SNG award amounts for 2003-04

Amounts for WAVE, Washington Scholars, and Promise to follow by July 25

The Higher Education Coordinating Board (HECB) yesterday announced final award amounts for the 2003-04 State Need Grant (SNG) program. The 2003-04 maximum grants will cover the same percentage of public college and university tuition that was covered in 2002-03.

Lawmakers appropriated an additional \$26.1 million for the SNG program for 2003-05 so that awards could keep pace with annual 7 percent tuition increases at public institutions.

The maximum 2003-04 SNG award amounts are:

Research	\$ 4,081
Comprehensive	\$ 3,237
Community and Technical Colleges	\$ 2,062
Private four-year colleges and universities	\$ 4,315
Private career colleges	\$ 2,062

Since scholarship amounts for the Promise, Washington Scholars, and WAVE programs are based on available funding and the number of eligible applicants, the value of these awards cannot be set until later in the application period. The HECB will announce maximum amounts for these programs by July 25.

EOG plans rules update in response to legislative changes

Board staff are proposing rules changes for the Educational Opportunity Grant (EOG) program to meet requirements passed by the Legislature earlier this year.

Lawmakers approved use of the EOG at University of Washington and Washington State University branch campuses. They also have allowed financially needy, placebound residents of all 39 counties to apply for the award.

Most of the proposed rule changes mirror the new statutory requirements. A handful will also implement administrative changes recommended by a program evaluation that the Board adopted in December 2000.

The Board shared an early draft of the changes with aid officers at a sampling of institutions and took their comments into consideration in the development of the proposed rules. Members of the Higher Education Coordinating Board will review the proposed rules at their next regular meeting on July 30. The public will have an opportunity to comment at a public hearing on Sept. 9.

For more information, contact Betty Gebhardt at bettyg@hecb.wa.gov or (360) 753-7852.

Change in federal aid formula will shift more college costs to students and families

A routine update of the federal need analysis formula apparently will shift more of the costs of higher education to students and families.

According to *The New York Times*, which broke the story on June 13, the change will likely reduce Pell Grant spending by hundreds of millions and may cut all federal, state, and institutional need-based aid awards by \$10 billion or more.

The U.S. Department of Education every year makes changes to the information used in the need analysis formula, and few take notice. For 2004-05, however, a change in the data used to calculate student and family tax burdens will significantly raise the amount families are expected to contribute to the cost of higher education.

Although the federal, state, and local tax data the department used are the most recent available, they nevertheless date from 2000. Many experts contend they do not reflect most families' current tax burdens. Students and families appear stuck between a stagnant economy, rising state and local taxes, and skyrocketing college costs. Meanwhile the federal government is assessing their tax liabilities based on a time when markets were at an all-time high, the economy was humming, state support for higher education was stronger, and state and local taxes were significantly lower.

"This is a classic mismatch between public policy and the world that the students and families are actually living in," said Patrick Callan, president of the National Center for Public Policy and Higher Education. In a different economic climate, it might have gone unnoticed, he said. Instead, "it's just one more piece of bad news in a year that's full of them."

An abstract of the *Times* article is available on the newspaper's Web site: [Change in aid formula shifts more costs to students](#). The full article is available for purchase. Subscribers to *The Chronicle of Higher Education* can also read its report online: [Change in federal formula for assessing need could cost students billions in financial aid](#).

One congressman's answer to rising college costs — price controls linked to federal aid eligibility

Rep. Howard "Buck" McKeon is mad as hell — and if he can help it, students and families aren't going to have to take it anymore.

Fed up with college costs rising faster than a bottle rocket in a July sky, the California Republican has vowed to do something about it. And as chair of the House Education and the Workforce subcommittee that oversees all higher education funding, he just may be able to.

"For the decade that I have been in Congress, I have heard people on all sides of the issue talk about making college more affordable for American families — with little result," McKeon said in March.

"Talk is cheap and legislation has been toothless. A 25 percent increase in tuition and fees is not reasonable; it is scandalous. And we can no longer sit idly by and accept such increases as the natural course of things."

McKeon has proposed a college-affordability index that would control tuition increases. Any institution that raised tuition more than twice the rate of inflation two years running would see their federal aid funding reduced.

According to *The Christian Science Monitor*, higher education lobby groups hate the idea. And an editorial in the [Tri-City Herald](#) warns that McKeon's proposal will keep poor and middle-income students away from college — the exact opposite of his intent. But McKeon is gaining allies among his colleagues in Congress who want to slow tuition increases and preserve access to college for low- and middle-income Americans.

As early as next month, McKeon plans to introduce the College Affordability Act, which will almost certainly include elements of his affordability index proposal. And if McKeon has his way, it will become part of the reauthorization of the Higher Education Act, to be taken up by Congress later this year.